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SUBJECT: GOJ TO REQUEST SUPPLEMENTAL ASSISTANCE

Classified By: AMBASSADOR DAVID HALE. REASONS 1.4 (B & D)

11. (C) Summary: Increasingly concerned by violence in the Palestinian areas and in Iraq, and by prospects that both conflicts could further destabilize the region, senior Jordanian officials have told Ambassador that the GOJ will soon ask the U.S. for supplemental military and economic assistance in FY 2007. The King worries that in a more unstable region, the Syrian regime becomes a greater conventional and terrorist threat. Officials also fear that the increasing unpopularity of GOJ alignment with U.S. policies, and of Jordan's peace treaty with Israel, will strengthen Jordanian extremists. More aid will help the GOJ better counter the appeal of populist radicals. Prince Feisal will present a request for supplemental military assistance during his on-going visit in Washington. End summary.

Military Assistance

- 12. (S) The King is concerned that there is growing potential that the Syrian regime, isolated and ineptly led, may be misreading the regional situation as an opportunity to intensify its long-simmering confrontation with Jordan. The GOJ views the potential SARG threat as both a conventional and a terrorist one. Syria has the ability to strike Jordan with aircraft, missiles, and its large (albeit outdated) armored forces. At the same time Syria continues to provide sanctuary, weapons, and training to militant groups whose members are regularly captured attempting to infiltrate weapons into Jordan.
- 13. (S) With additional resources, Jordan would seek to inoculate itself from Syrian pressure with a missile defense system with which to counter Syrian rocket artillery; increased anti-armor capabilities; enhanced ground- and air-based air defense weapons; and funding to complete its ambitious C4ISR and Border Security Programs. Programs of interest to the Jordanians in this regard are the HIMARS artillery system, additional Javelin and AMRAAM Missiles, F-16 survivability gear including ALQ-131 aircraft countermeasures pods, additional or upgraded HAWK missiles, and short-range air defense systems such as the Avenger.
- 14. (C) Jordan would also use increased assistance to hasten implementation of the recommendations of its recently completed two-year Strategic Defense Review (SDR), which plans Jordanian defense for the coming ten years. Jordan prepared the SDR using a threat-based approach to assess capabilities, identify shortfalls, and prepare for emerging threats. The SDR concludes that Jordan needs a more modern, agile, increasingly U.S.-equipped force with better capabilities to confront terrorism and the threats posed by Syria and Iran. Jordan would continue to lighten its conventional forces, eliminating some units and restructuring others into light infantry or special operations units, and seek additional helicopters, command and control systems, and

support equipment.

 $\P5$. (SBU) GOJ contacts tell us their request for supplemental FMF will be in the \$200-350 million range.

Economic Assistance

- 16. (C) GOJ alignment with U.S. policies in Iraq and in the Israeli-Palestinian conflict is as unpopular as ever among ordinary Jordanians. While post detects no sign that the GOJ will waver in its support for our efforts, we do see evidence that Jordan's leaders are more worried about the sour public mood. With municipal elections expected in mid-2007, and Islamists hoping to take over local governments in several large cities, the GOJ is preparing to push back with a number of measures, including a public works campaign, which will largely be covered by Saudi funding.
- (C) However, the broader economic picture shows signs of trouble, and any economic disruption that boosts unemployment over its already high 14 percent would be a potential security concern as well, as is the persistently high poverty level, also at 14 percent. The government is implementing programs to address both challenges but it is unable to make much headway in the face of a demographic bulge of young people entering the workforce. The prospect of regional instability will hurt investment throughout the region, and would likely push petroleum prices higher again. Fuel price rises in Jordan have traditionally been occasions for populist anger and have caused severe pressure on the government's budgets. Even with no further fuel price rises, Jordan is suffering from a growing current account deficit, driven by the cost of imports, including oil. Jordan has the foreign reserves to manage this for the near term but not over a sustained period.
- 18. (SBU) The GOJ's request for supplemental economic support funds (ESF) will be on the order of \$200 million. The Planning Ministry's justification has been passed by e-mail to NEA/ELA.

Post's Assessment

- 19. (C) The GOJ looks to the coming year or two with apprehension because of the conflicts in Iraq and across the River Jordan, and the King told Ambassador that the request for additional FMF as a higher priority than ESF. Abdullah's brother, Prince Feisal, is currently in the U.S., and we understand he is taking initial soundings of support for additional security assistance.
- 110. (C) The current U.S. budget environment and the fact that the supplemental request has already gone to the Hill will no doubt make these requests difficult or impossible to meet. But it is a certainty that the King will make his case with visits to the Hill, and to the many members of Congress who pass through King Abdullah's office in Amman.

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